

(12) *Conditionally admissible merchandise*. “Conditionally admissible merchandise” is merchandise which may be imported into the U.S. under certain conditions. Merchandise which is subject to permits or licenses, or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies, is an example of conditionally admissible merchandise.

(13) *Prohibited merchandise*. “Prohibited merchandise” is merchandise the importation of which is prohibited by law on grounds of public policy or morals, or any merchandise which is excluded from a zone by order of the Board. Books urging treason or insurrection against the U.S., obscene pictures, and lottery tickets are examples of prohibited merchandise.

(14) *Fungible merchandise*. “Fungible merchandise” means merchandise which for commercial purposes is identical and interchangeable in all situations.

(15) *Operator*. “Operator” is a corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the zone grantee. Where used in this part, the term “operator” also applies to a “grantee” that operates its own zone.

(16) *Reactivation*. “Reactivation” means a resumption of the activated status of an entire area that was previously deactivated without any change in the operator or the area boundaries. If the boundaries are different, the action is an alteration. If the operator is different, it is an activation.

(17) *Subzone*. “Subzone” is a special-purpose zone established as part of a zone project for a limited purpose, that cannot be accommodated within an existing zone. The term “zone” also applies to a subzone, unless specified otherwise.

(18) *Transfer*. “Transfer” means to take merchandise with zone status from a zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another zone, and like purposes.

(19) *Unique identifier*. “Unique identifier” means the numbers, letters, or combination of numbers and letters

that identify merchandise admitted to a zone with zone status.

(20) *User*. “User” means a person or firm using a zone or subzone for storage, handling, or processing of merchandise.

(21) *Zone lot*. “Zone lot” means a collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to a zone by lot.

(22) *Zone site*. “Zone site” means the physical location of a zone or subzone.

(23) *Zone status*. “Zone status” means the status of merchandise admitted to a zone, i.e., nonprivileged foreign, privileged foreign, zone restricted, or domestic.

[T.D. 86–16, 51 FR 5049, Feb. 11, 1986, as amended by T.D. 89–1, 53 FR 51263, Dec. 21, 1988]

§ 146.2 Port director as Board representative.

The port director where the zone is located shall be in charge of the zone as the representative of the Board.

§ 146.3 Customs supervision.

(a) *Assignment of Customs officers*. Customs officers will be assigned or detailed to a zone as necessary to maintain appropriate Customs supervision of merchandise and records pertaining thereto in the zone, and to protect the revenue.

(b) *Supervision*. Customs supervision over any zone or transaction provided for in this part will be in accordance with § 161.1 of this chapter. The port director may direct a Customs officer to supervise any transaction or procedure at a zone. Supervision may be performed through a periodic audit of the operator’s records, quantity count of goods in a zone inventory, spot check of selected transactions or procedures, or review of recordkeeping, security, or conditions of storage in a zone.

§ 146.4 Operator responsibility and supervision.

(a) *Supervision*. The operator shall supervise all admissions, transfers, removals, recordkeeping, manipulations, manufacturing, destruction, exhibition, physical and procedural security, and conditions of storage in the